



FIRST PROPERTY ACCEPTANCES COMMERCIAL BUILDINGS COMBINED “ALL RISKS” POLICY

PREAMBLE

Subject to the terms, exceptions, conditions and provisions (precedent or otherwise), and in consideration of, and conditional upon, the prior payment of the premium by or on behalf of the insured and receipt thereof by or on behalf of Centriq Insurance Ltd (herein after called The Company), The Company agrees to indemnify or compensate the insured by payment or, at the option of The Company, by replacement. Premium is payable to the Company on or before the inception date or renewal date, as the case may be. The company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be, but may do so upon such terms as it at its sole discretion may determine.

Where more than one insurance company or insurer participates in this insurance, the expression “company” shall be amended to “insurers” wherever it appears in this policy. In this event, the percentage share of each insurer will be as expressed in the schedule of this policy and the liability of each such insurer individually shall be limited to the percentage share set against its name

COMMERCIAL BUILDINGS COMBINED

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GENERAL EXCLUSIONS CONDITIONS AND PROVISIONS

Specific exceptions, conditions and provisions shall override general exceptions, conditions and provisions.

GENERAL EXCLUSIONS

1. Nationalisation, confiscation, commandeering, requisition, or willful destruction by any lawfully constituted authority.
2. **WAR, RIOT & TERRORISM**
 - a) This policy does not cover loss of or damage to property related to or caused by:
 - (i) civil commotion, labour disturbances, riot, strike, lockout or public disorder or any act or activity which is calculated or directed to bring about any of the foregoing;
 - (ii) war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) or civil war;
 - (iii)
 - (a) mutiny, military rising, military or usurped power, martial law or state of siege, or any other event or cause which determines the proclamation or maintenance of martial law or state of siege;
 - (b) insurrection, rebellion or revolution;
 - (iv) any act (whether on behalf of any organisation, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force or by means of fear, terrorism or violence;
 - (v) any act which is calculated or directed to bring about loss or damage in order to further any political aim, objective or cause, or to bring about any social or economic change, or in protest against any State or Government or any provincial, local or tribal authority, or for the purpose of inspiring fear in the public or any section thereof;
 - (vi) any attempt to perform any act referred to in clause (iv) or (v) above;
 - (vii) the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any occurrence referred to in clause A (i), (ii), (iii), (iv), (v) or (vi) above.

If The Company alleges that, by reason of clause A (i), (ii), (iii), (iv), (v), (vi) or (vii) of this exception, loss or damage is not covered by this policy, the burden of proving the contrary shall rest on the insured.

- b) This policy does not cover loss or damage caused directly or indirectly by or through or in consequence of any occurrence for which a fund has been established in terms of the War Damage Insurance and Compensation Act, 1976 (No. 85 of 1976) or any similar Act operative in any of the territories to which this policy applies.
- c) Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover loss of or damage to property or bodily injury or expense of whatsoever nature directly or indirectly caused by, arising out of or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any sequence to the loss, damage, bodily injury or expense.

For the purpose of this General Exclusion C, an act of terrorism includes, without limitation, the use of violence or force or the threat thereof whether as an act harmful to human life or not, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government or any other person or body of persons, committed for political, religious, personal or ideological reasons or purposes including any act committed with the intention to influence any government or for the purpose of inspiring fear in the public or any section thereof.

3. **NUCLEAR WEAPONS AND RADIATION**

- (i) This policy does not cover
 - (a) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss
 - (b) any legal liability of whatsoever nature
 - directly or indirectly caused by or contributed to or arising from ionizing radiation or contamination by radio-activity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fission.
- (ii) The indemnity provided by this policy shall not apply to nor include any loss, destruction, damage or legal liability directly or indirectly caused by, or contributed to, or arising from nuclear weapons material.

4. **COMPUTER LOSSES**

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover:

1. loss, or destruction of, or damage to any property whatsoever (including a computer), or any loss, or expense whatsoever resulting or arising there-from
2. any legal liability of whatsoever nature
3. any consequential loss

directly or indirectly caused by, or contributed to by, or consisting of, or arising from the incapacity or failure of any computer, correctly or at all

- (i) to treat any date as the correct date or true calendar date, or correctly or appropriately to recognize, manipulate, interpret, process, store, receive, or to respond to any data or information, or to carry out any command or instruction, in regard to, or in connection with any such date or;
- (ii) to capture, save, retain, or to process any information, or code as a result of the operation of any command, which has been programmed into any computer, being a command that causes the loss of data, or the inability to capture, save, retain, or correctly process such data in regard to, or in connection with any such date or;
- (iii) to capture, save, retain, or process any information, or code due to program errors, incorrect entry or the inadvertent cancellation or corruption of data and or programs;

- (iv) to capture, save, retain, or process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorised code or instruction including any Trojan horse, time or logic bomb, or worm, or any other destructive or disruptive code, media or program, or interference.

A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device in computer or non-computer equipment or any computer software, tools, operating system or any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above, whether your property or not.

Special Extension to the above General Exclusion 4

- A. Loss or destruction of, or damage to the insured property by fire, explosion, lightning, earthquake or by the insured events referred to in 4.3.(ii) above, are not excluded by this General Exclusion.
- B. The insured events that are not excluded for the purpose of this special extension are damage caused by:
 - 1. Storm, flood, wind, rain, hail or snow excluding loss or damage to property;
 - a) arising from its undergoing any process necessarily involving the use or application of water;
 - b) caused by tidal wave originating from earthquake or volcanic eruption;
 - c) in the underground workings of any mine;
 - d) in the open (other than buildings structures and plant designed to exist or operate in the open);
 - e) in any structure not completely roofed;
 - f) being retaining walls;
 - 2. Aircraft and other aerial devices or articles dropped therefrom;
 - 3. Impact by animals, trees, aerals, satellite dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes or vehicles or property in or on such vehicles.
- C. This Special Extension will not insure any loss destruction, damage or consequential loss if it would not have been insured in the absence of this Computer Loss General Exclusion and this Special Extension.
- D. This Special Extension shall not apply to any Public Liability indemnity.

5. Asbestos

Notwithstanding any provision of this policy including any exclusion, exception or extension or other provision which would otherwise override a general exclusion, this policy does not cover any legal liability, loss, damage, cost or expense whatsoever or any consequential loss directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quality.

GENERAL CONDITIONS

1. MISREPRESENTATION, MISDESCRIPTION AND NON-DISCLOSURE

This policy shall be voidable with regard to that portion of the Property Insured in priority to the Policy as a whole if:

- (a) there is misrepresentation, misdescription or non-disclosure of any particular material;
- (b) there is an alteration after the commencement of this insurance:
 - (i) whereby the insured's interest ceases, except by operation of law unless such alteration has been agreed to by The Company;
 - (ii) the risk of accident, loss or damage is increased unless such alteration has been agreed to by The Company;
- (c) the Insured breaches any warranty or condition.

2. OTHER INSURANCE

If, at the time of any event giving rise to a claim under this policy, an insurance exists with any other insurers covering the insured against the defined events, The Company shall be liable to make good only a rate-able proportion of the amount payable by or to the insured in respect of such event. If any such other insurance is subject to any condition of average, this policy, if not already subject to any condition of average, shall be subject to average in a like manner.

3A. CANCELLATION

This policy or any section may be cancelled at any time by The Company giving thirty (30) days notice in writing (or such other period as may be mutually agreed), or by the insured giving immediate notice. On cancellation by the insured, The Company shall be entitled to retain the customary short period or minimum premium for the period the policy or section has been in force. On cancellation by The Company, the insured shall be entitled to claim a pro-rata proportion of the premium for the remainder of the period of insurance from the date of cancellation.

3B. CONTINUATION OF COVER (where premium is payable by debit order)

The premium is due in advance, if it is not received by The Company by the due date, this insurance shall be deemed to have been cancelled at midnight on the last day of the preceding period of insurance, unless the insured can show that failure to make payment was an error on the part of their bank or other paying agent.

Due date will be the first day of every calendar month where premium is payable monthly, the first day of

- (a) each third;
- (b) each sixth or;
- (c) each twelfth calendar month following inception where premium is payable quarterly, half yearly or annually.

4. PREVENTION OF LOSS

The insured shall take all reasonable steps and precautions to prevent accidents or losses and shall exercise all reasonable precautions for the maintenance and safety of the property.

Fire Protection Equipment

It is a condition of this insurance that FIRE PROTECTION EQUIPMENT (including automatic sprinkler installations where applicable) shall be installed in compliance with Local Authorities Requirements and National Building Regulations and that such equipment will be properly maintained and serviced annually by a qualified contractor.

Disclaimers

It is a condition of this insurance that suitable disclaimers must be displayed at all entrances to the insured property including parking, delivery and public entrances.

Warning Signs

It is a condition of this insurance that contractors, maintenance and cleaning staff display signs warning the public to exercise caution during operations on or about the premises.

5. CLAIMS – applicable to all sections

- (a) On the happening of any event which may result in a claim under this policy the insured shall, at their own expense
 - (i) give notice thereof to The Company as soon as reasonably possible and provide particulars of any other insurance covering such events as are hereby insured;
 - (ii) as soon as practicable after the event inform the police of any claim involving theft or (if required by The Company) loss of property, and take all practicable steps to discover the guilty party and to recover the stolen or lost property;
 - (iii) within 30 days after the event, submit to The Company full details in writing of any claim;
 - (iv) the insured may not make any statement, admission, offer, promise, or payment or give indemnity without The Company's written consent;
 - (v) give The Company such proofs, information and sworn declarations as The Company may require and forward to The Company immediately any notice of claim or any communication, writ, summons or other legal process issued or commenced against the insured in connection with the event giving rise to the claim.
- (b) No claim shall be payable after the expiry of 24 months or such further time as The Company may allow from the happening of any event unless the claim is the subject of pending legal action or is a claim in respect of the insured's legal liability to a third party.
- (c) No claim shall be payable, unless the insured claims payment by serving legal proceedings on The Company within ninety (90) days of the rejection of the claim in writing and pursues such proceedings to finality within a further one hundred and eighty (180) days.
- (d) If, after the payment of a claim in terms of this policy in respect of lost or stolen property, the property (the subject matter of the claim) or any part thereof is located, the insured shall render all assistance in the identification and physical recovery of such property if called on to do so by The Company, provided that the insured's reasonable expenses in rendering such assistance shall be reimbursed by The Company. Should the insured fail to render assistance in terms of this condition when called upon to do so, the insured shall immediately become liable to repay to The Company all amounts paid in respect of the claim.

6. COMPANY'S RIGHTS AFTER AN EVENT

(a) On the happening of any event in respect of which a claim is or may be made under this policy, The Company and every person authorised by it may, without thereby incurring any liability and without diminishing the right of The Company to rely upon any conditions of this policy:

(i) take enter or keep possession of any damaged property and deal with it in any reasonable manner.

This condition shall be evidence of the leave and licence of the insured to The Company to do so. The insured shall not be entitled to abandon any property to The Company whether taken possession of by The Company or not;

(ii) take over and conduct in the name of the insured the defence or settlement of any claim and prosecute in the name of the insured for its own benefit any claim for indemnity or damages or otherwise, and shall have full discretion in the conduct of any proceedings and in the settlement of any claim. No admission, statement, offer, promise, payment or indemnity shall be made by the insured without the written consent of The Company.

(b) The insured shall, at the expense of The Company, do and permit to be done all such things as may be necessary or reasonably required by The Company for the purpose of enforcing any rights to which The Company shall be, or would become, subrogated upon indemnification of the insured, whether such things shall be required before or after such indemnification.

(c) In respect of any section of this policy under which an indemnity is provided for liability to third parties, The Company may, upon the happening of any event, pay to the insured the limit of indemnity provided in respect of such event can be settled, and The Company shall thereafter not be under further liability in respect of such event.

7. FRAUD

If any claim under this policy is in any respect fraudulent, or if any fraudulent means or devices are used by the insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy, or if any event is occasioned by the willful act or with the connivance of the insured, the benefit afforded under this policy in respect of any such claim shall be forfeited.

8. REINSTATEMENT OF COVER AFTER LOSS

In consideration of sums insured not being reduced where appropriate by the amount of any loss, the insured shall pay additional premium on the amount of the loss from the date thereof; or from the date of reinstatement or replacement (whichever is the later) to expiry of the period of insurance.

9. BREACH OF CONDITIONS

The conditions of this policy and sections thereof shall apply individually to each of the risks insured and not collectively to them, so that any breach shall render voidable the section only in respect of the risk to which the breach applies.

10. NO RIGHTS TO OTHER PERSONS

Unless otherwise provided, nothing in this policy shall give any rights to any person other than the insured. Any extension providing indemnity to any person other than the insured shall not give any rights of claim to such person, the intention being that the insured shall claim on behalf of such person. The receipt of the insured shall in every case be a full discharge to The Company.

11. JURISDICTION

This policy is subject to the jurisdiction of the courts of law of the Republic of South Africa. The Company is not liable for any loss, legal costs, or expenses not incurred in the Republic of South Africa.

12. LIMITATIONS AND AMENDMENTS

The Company may introduce limitations and amendments to the policy contract by giving the insured 30 days' written notice thereof to the insured's last known address.

GENERAL PROVISIONS

A. CLAIMS PREPARATION COSTS

The Company will pay any amount actually expended by the insured in producing and certifying any particulars or details required in terms of General Condition 5 but limited to R50,000 or the sum stated in the schedule.

B. PAYMENTS ON ACCOUNT

Payments on account may be made to the insured at the discretion of The Company.

C. FIRST AMOUNT PAYABLE

Except where provided for specifically in any section, the amount payable for each and every loss, damage or liability shall be reduced by the first amount payable shown in the schedule for the applicable defined event.

D. MEMBERS

Wherever the word director is used it is deemed to include member if the insured is a close corporation.

E. LIABILITY UNDER MORE THAN ONE SECTION

The Company shall not be liable under more than one section of this policy in respect of liability, loss or damage arising from the same happening in respect of the same liability, loss or damage.

F. MEANING OF WORDS

The schedules and any endorsements thereto and the policy wording shall be read together, and any word or expression to which a specific meaning has been given in any part thereof shall bear such meaning wherever it may appear.

G. PREMIUM PAYMENT

Premium is payable on or before the inception date or renewal date, as the case may be. The Company shall not be obliged to accept premium tendered to it after inception date or renewal date as the case may be, but may do so upon such terms as it at its sole discretion may determine.

H. HOLDING COVERED

If The Company is holding covered on a risk it will not reject a claim on the basis that the premium has not been agreed.

I. SCHEDULE SUMS INSURED BLANK

If, in a schedule of this policy, the sum insured, limit of indemnity or compensation is

- (i) left blank or has no monetary amount stipulated against it;
- (ii) reflected as nil or not applicable or not covered or no indemnity extended this means the defined event or circumstance shown in the schedule is not insured by the policy.

K. VALUE ADDED TAX

(a) DEFINITION

VAT shall mean the amount of value added tax payable by the insured or The Company to the Revenue authorities in the Republic of South Africa at the ruling rate.

(b) VAT INCLUSIVE CONDITION

It is understood and agreed that the monetary amounts are reflected in the sums insured and/or limits of indemnity shall be applied to:

- (i) the indemnity or amounts payable in terms of this policy and to which sums the terms, provisions, conditions and limitations of this policy shall apply; and
- (ii) value added tax at the current rate as promulgated in legislation relating thereto.

Subject to such sums insured / limits of indemnity being adequate to embrace the amounts reflected under (a) and (b) above, The Company will, to the extent that the insured is accountable to the tax authorities for value added tax in respect of any payment in terms of this policy, include the amount of such tax in the final settlement of any claim in terms of the policy, provided that the total amount payable for any defined event and value added tax related thereto shall not exceed the sum insured / limit of indemnity set against such defined event.

In circumstances referred to herein under which the insured is required to bear the first amount of any loss (the first amount payable), such amount shall also be inclusive of value added tax in like manner to the sum insured / limit of indemnity referred to above.

Further, in the event of a change in the rate of VAT during the period of insurance, sums insured, limits of indemnity, and if appropriate, premiums, shall be adjusted automatically.

L. SPECIAL EXTENSIONS – SASRIA / NASRIA

Notwithstanding the provisions of GENERAL EXCLUSION 2, The Company operates an insurance scheme sanctioned by SASRIA whereby all policies shall automatically be extended to cover war, riot and terrorism. The Company issues an insurance certificate in compliance with the scheme as sanctioned by SASRIA and the appropriate premium is remitted to SASRIA accordingly.

BUILDINGS

SECTION A – PROPERTY INSURANCE

DEFINED EVENTS

1. Loss or damage by the perils described
 - (a) in Sub-section A to the buildings, constructed of brick, stone, concrete or metal on metal framework and roofed with slate, tiles, metal, concrete or asbestos (unless otherwise stated in the schedule) including landlords' fixtures and fittings therein and thereon, plant, equipment, and other structures and improvements of a permanent nature, walls (except dam walls), gates, posts and fences (except hedges), brick, tarred, concrete or paved roads, driveways, parking areas and paths, fire-extinguishing equipment, railway sidings, all the property of the insured, and if so stated in the schedule, tenants' fixtures and fittings
 - (b) in Sub-section B to public supply connections

SUB-SECTION (A) PROPERTY

Sudden and unforeseen loss or damage (accidental loss destruction or damage being hereby called damage) to the insured property at the premises detailed in the schedule including events as defined in the extensions to cover detailed herein but excluding loss or damage resulting from an excluded cause and excluding loss or damage available under or excluded by any other section of this policy.

Provided that

- (i) the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every defined event:
- (ii) the liability of The Company for loss or damage arising from a defined event shall not exceed the amount stated in the schedule or extension clauses in respect of such event.

Exclusions

The Company shall not be liable for

- (a) More than the individual value of any item forming part of a pair, set or collection without regard to any special value such item may have as part of such pair, set, or collection;
- (b) Detention, confiscation, attachment, destruction or requisition by any lawfully constituted authority or other judicial process;
- (c) Unexplained disappearance or shortage only revealed during or after an inventory or errors or omissions in receipts payments or accounting or misfiling or misplacing information
- (d) Loss or damage to property caused by
 - (i) Any event excluded or circumstances precluded from any other insurance available at inception hereof, or for any first amount payable, by the insured under such insurance, or for any reduction of amount payable under any claim due to the application of average;
 - (ii) Any fraudulent scheme trick device or false pretence practiced on the insured (or any person having custody of the insured property);

- (iii) The fraud or dishonesty of any principal or employee or agent of the insured;
 - (iv) Over-heating, implosion cracking fracturing weld failure, nipple leakage or other failure. This exception applies only to vessels, pipes, tubes or similar apparatus;
 - (v) breakdown, electrical and/or mechanical derangement;
 - (vi) wear, tear, gradual deterioration or a lack of maintenance;
 - (vii) altering, bleaching, cleaning, dyeing, manufacture, repair, restoring, servicing, renovating, testing or any other work thereon;
 - (viii) fault or defect in its design, formula, specification, drawing plan, materials, workmanship or professional advice, normal maintenance, gradual deterioration, depreciation, corrosion, rust, oxidation or other chemical action or reaction, frost, change in temperature, expansion or humidity, fermentation or germination, dampness, dryness, wet or dry rot, shrinkage, evaporation, loss of weight, contamination, pollution, change in colour, flavor, texture or finish or its own wear and tear;
 - (ix) denting, chipping, scratching or cracking not affecting the operation of the item;
 - (x) domestic pets, termites, moths, insects, vermin, inherent vice, fumes, flaws, latent defect, fluctuations in atmospheric or climatic conditions, the action of light;
- (e) subsidence or landslip ;
 - (f) Settlement or bedding down, ground heave, collapse or cracking of structures or the removal or weakening of support to any property insured;
 - (g) Failure of and/or the deliberate withholding and/or lack of supplies of water, steam, gas, electricity, fuel or refrigerant;
 - (h) damage to property arising from its' undergoing any process involving the application of water;
 - (i) Leakage of liquid or gas from the receptacle in which it is contained;
 - (j) Collapse of plant and machinery buildings or structures but not damage to the building resulting from such collapse
 - (k) Failure and / or the deliberate withholding and / or lack of supplies of water steam gas or electricity fuel or refrigerant.
 - (l) Loss or damage to property in transit;
 - (m) Malicious damage;
 - (n) Theft or attempted theft;
 - (o) Accidental breakage of glass;

Limit of liability

The Company's liability for loss or damage NOT arising from the following perils shall be limited to R500,000 or such other amount as stated in the schedule of insurance forming part of and attaching to this policy;

Fire, lightning, thunderbolt, subterranean fire, explosion, storm, wind, water, hail or snow, earthquake, aircraft and other aerial devices or articles dropped there-from Impact by meteorite, animals, trees, aerials, satellite

dishes or vehicles excluding damage to such animals, trees, aerals, satellite dishes, vehicles or property in or on such vehicles.

SPECIFIC CONDITIONS

AVERAGE

If the property insured is, at the commencement of any damage to such property by any peril insured against, collectively of greater value than the sum insured thereon, then the insured shall be considered as being their own insurer for the difference and shall bear a rate-able share of the loss accordingly. Every item, if more than one, shall be separately subject to this condition.

UNOCCUPIED PROPERTY

The Company shall not be liable for any loss or damage to unoccupied property or any portion thereof under individual occupancy unless such property is protected by a burglar alarm or 24 hour security guards and such alarm or guards are linked to an armed response service.

SPECIAL EXTENSIONS

The following special extensions to cover are included subject to the limit of liability detailed in the schedule attaching to and forming part of this policy.

SUBSIDENCE AND LANDSLIP

Damage caused by subsidence or landslip provided that the insured shall bear the first portion of each and every claim up to an amount calculated at 3 percent of the sum insured on the property maximum R1,500,000.

For the purposes hereof, any damage insured shall be deemed to have been caused by fire provided that this extension does not cover

- (a) damage to drains, water courses, boundary walls, garden walls, retaining walls, gates, posts or fences unless specifically insured;
- (b) damage caused by or attributable to
 - (i) faulty design or construction of, or the removal or weakening of support to, any building situated at the insured premises;
 - (ii) workmen engaged in making any structural alterations, additions or repairs to any building situated at the insured premises;
 - (iii) excavation on or under land other than excavations in the course of mining operations;
- (c) consequential loss of any kind whatsoever except loss of rent.

In any action, suit or other proceeding where The Company alleges that, by reason of the provisions of this extension, any damage is not covered by this insurance, the burden of proving the contrary shall be upon the insured.

GLASS

Loss of or accidental damage to internal and external glass (including mirrors), sign writing and treatment thereon at the insured premises as stated in the schedule, the property of the insured or for which they are responsible.

Following loss of or damage to glass The Company will also indemnify the insured for:

1. the cost of such boarding up as may be reasonably necessary;
2. damage to shop fronts, frames, burglar alarm strips, wires and vibrators as a direct result of such loss or damage;
3. the cost of removal and reinstallation of fixtures and fittings necessary for the replacement for the glass;
4. the cost of employment of a watchman service prior to replacement of glass or boarding up or the repair of the burglar alarm system, unless payable under any other insurance arranged by the insured;

provided that the liability of The Company shall not exceed

- (i) for the replacement of glass, sign writing and treatment – the amount stated in the schedule per premises in respect of any one event;
- (ii) for all other costs and expenses provided for by this extension and resulting from one occurrence or series of occurrences attributable to one source or original cause – in the aggregate the sum of R2,000 per premises.

Limit of liability

The Company's liability for any one claim is R50,000 or such other amount as stated in the schedule of insurance attaching to and forming part of this policy.

Specific Exceptions

- a) The Company will not be liable for loss or damage, which is insured by, or would, but for the existence of this extension, be insured by any glass insurance if it is a condition of the Lease Agreement that the tenant will be responsible for accidental damage to glass.
- b) The costs of equipment hire such as cranes are similar lifting equipment to facilitate the installation of glass at the insured premises.

THEFT

Theft (or any attempt thereat) accompanied by forcible and violent entry into or exit from such building. If any building or portion thereof insured or containing the insured property becomes unoccupied for more than thirty (30) consecutive days, this peril is suspended as regards the property affected, unless the insured, before the occurrence of any loss or damage, obtains the written agreement of The Company to continue this peril. During the period of the initial unoccupancy of 30 consecutive days the insured shall become a co-insurer with The Company and shall bear a rate-able proportion of any damage equal to 20 percent of the claim before deduction of any first amount payable

Notwithstanding the provisions of this extension, during the first thirty days (30) of total or partial unoccupancy of the insured building(s) the insured will be liable for the first 20 percent minimum R2500 of any claim but this amount will not apply cumulatively with any other first amount payable.

The provision that theft must be accompanied by "forcible and violent entry into or exit from such building" is hereby deleted in respect of theft of exterior fixtures and fittings from such building but the liability of The Company shall not exceed R20,000 or such other amount as stated in the schedule

MALICIOUS DAMAGE

Subject otherwise to the terms, conditions, exclusions, exceptions and warranties contained herein, this policy is extended to cover loss or damage directly occasioned by, or through or in consequence of, the deliberate, or willful or wanton act committed by any person with the intention of causing such loss or damage other than loss or damage to:

1. movable property, which is;
 - (a) stolen;
 - (b) damaged in an attempt to remove it or part of it from any premises owned or occupied by the insured;
2. movable or immovable property which is damaged by thieves whilst breaking into or out of or attempting to break into or out of any premises owned or occupied by the insured;
3. immovable property owned or occupied by the insured occasioned by or through or in consequence of;
 - (a) the removal or partial removal or any attempt thereof;
 - (b) the demolition or partial demolition or any attempt thereof;the said immovable property or any part thereof with the intention of stealing any part thereof;

Provided that this extension does not cover

- (a) loss or damage related to or caused by fire or explosion;
- (b) consequential or indirect loss or damage of any kind or description whatsoever other than loss of rent if specifically insured;
- (c) loss or damage resulting from total or partial cessation of work or the retarding or interruption or cessation of any process operation;
- (d) loss or damage occasioned by permanent or temporary dispossession resulting from confiscation, commandeering or requisition by any lawfully constituted authority;
- (e) loss or damage related to or caused by any occurrence referred to in General Exclusion 2 (a) (i), (ii), (iii), (iv), (v), (vi) or (vii) of this policy or the act of any lawfully established authority in controlling, preventing, suppressing or in any other way dealing with any such occurrences.

If The Company alleges that, by reason of proviso (a), (b), (c), (d) or (e), loss or damage is not covered by this policy, the burden of providing the contrary shall rest on the insured.

If any building or portion thereof insured or containing the insured property becomes unoccupied for thirty (30) consecutive days the insurance in respect of this extension is suspended as regards the property affected, unless the insured, before the occurrence of any damage, obtains the written agreement of The Company to continue this extension.

During the period of the initial un-occupancy of thirty (30) consecutive days the insured shall become a co-insurer with The Company and shall bear a proportion of any damage equal to 20 percent of the claim before deduction of any first amount payable.

Notwithstanding the provisions of this extension, in the event of total or partial unoccupancy of the insured building(s) the insured will be liable for the first 20 percent minimum R2,500 of any claim but this amount will not apply cumulatively with any other first amount payable

UPGRADE OF AUTOMATIC SPRINKLER INSTALLATIONS

Costs and expenses necessarily incurred by the insured in complying with any legal requirements to upgrade or replace undamaged portions of any automatic sprinkler system, or automatic drencher, gas or foam installation following damage by an insured peril provided that the total amount recoverable shall not exceed R2,500,000

GENERAL EXTENSIONS

ESCALATION

The sum insured in respect of buildings as defined in SECTION A PROPERTY INSURANCE of this policy will be increased as follows:

- (a) during the period of insurance by that proportion of the percentage specified against "current insurance period" in the schedule which the number of days from the inception date to date of loss bears to the period of insurance;
- (b) on the happening of a loss by an Insured Peril as detailed in Sub-section A of this policy, the sum insured as at the time of the loss shall be increased by the percentage specified against "further reinstatement period."

LEAKAGE

This policy is extended to cover damage caused by discharge or leakage from fire extinguishing installations / appliances.

MAINTENANCE AND CLEANING EQUIPMENT EXTENSION

This policy is extended to include cover as defined in perils 1 to 5 of Sub-section A – Property, in respect of equipment owned by the insured for maintaining and cleaning the premises, limited to R5,000 or the amount specified in the schedule.

SWIMMING POOL / BOREHOLE PUMPS

If swimming pool and Jacuzzi machinery or borehole pumps in domestic use are damaged by any cause other than wear and tear or depreciation The Company will, at its option, repair or replace the damaged equipment or pay to the insured the value thereof up to an amount of R5,000 for any one claim.

WATCHMEN EXTENSION

The Company will indemnify the insured for the costs reasonably incurred in employing watchmen following an event which may give rise to a claim, provided that the indemnity limit of this extension shall not exceed R5,000 for each and every claim.

ARCHITECTS' AND OTHER PROFESSIONAL FEES

The insurance under Sub-section A includes professional fees (for estimates, plans, specifications, quantities, tenders and supervision) necessarily incurred in the reinstatement or replacement of the property insured following damage by a defined event, but in no case exceeding 15 percent of the amount payable in respect of such damage and provided that the total amount recoverable shall not exceed the sum insured on the property affected. The amount payable in respect of such fees shall not include expenses incurred in connection with the preparation of the insured's claim.

CAPITAL ADDITIONS

The insurance under this policy covers alterations, additions and improvements (but not appreciation in value in excess of the sum(s) insured) to the property for an amount not exceeding 15 percent of the sum insured thereon, it being

understood that the insured undertakes to advise The Company each quarter of such alterations, additions and improvements, and to pay the appropriate additional premium thereon.

COST OF DEMOLITION AND CLEARING AND ERECTION OF HOARDINGS

The insurance under this policy includes costs necessarily incurred by the insured in respect of the demolition of property insured and/or the removal of debris and in providing, erecting and maintaining hoardings required during demolition, site clearing and/or building operations following damage to the property insured by a defined event, provided that the total amount recoverable shall not exceed the sum insured on the property affected.

The Company will not pay for any costs or expenses

1. incurred in removing debris except from the site of such property destroyed or damaged and the area immediately adjacent to such site.
2. arising from pollution or contamination of property not insured by this policy / section.

FIRE EXTINGUISHING CHARGES

Any costs relating to the extinguishing or fighting of fire shall be deemed to be damage to the insured property and shall be payable in addition to any other payment for which The Company may be liable in terms of this section, provided the insured is legally liable for such costs and the property insured was in danger from the fire.

MORTGAGEE CLAUSE

The interest of any mortgagee in the insurance under this policy shall not be prejudiced by any act or omission on the part of the mortgagor without the mortgagee's knowledge. The mortgagee shall, however, inform The Company as soon as any such act or omission comes to his knowledge and shall be responsible for any additional premium payable from the date any increased hazard shall, in terms of this clause, be assumed by The Company.

MUNICIPAL PLANS SCRUTINY FEE

The insurance under this policy includes municipal plans scrutiny fees, provided that the total amount recoverable under any item shall not exceed the sum insured on the property insured so affected.

POWER SURGE

Notwithstanding the provisions of exclusion d(v) of SECTION A PROPERTY INSURANCE of this section of the policy The Company will indemnify the insured against damage resulting from electrical power surge up to R20,000 or such other amount stated in the schedule. Provided that The Company shall not be liable for

- a) Any property covered by a warranty or guarantee or service contract
- b) Any property used for a business trade or profession
- c) The additional cost to remove or re-install sub-merged or underground motors

PUBLIC AUTHORITIES REQUIREMENTS

The insurance under this policy includes such additional costs of repairing or rebuilding the damaged property incurred solely by reason of the necessity to comply with building or other regulations under, or framed in pursuance of, any act of parliament or ordinance of any provincial, municipal or other local authority, provided that

1. the amount recoverable under this clause shall not include
 - (a) the cost incurred in complying with any of the aforesaid regulations
 - (i) in respect of damage occurring prior to granting of this clause;

- (ii) in respect of damage not insured by this policy;
 - (iii) under which notice has been served upon the insured prior to the happening of the damage;
 - (iv) in respect of undamaged property or undamaged portions of property other than foundations (unless foundations are specifically excluded from this insurance) or that portion damaged;
- (b) the additional cost that would have been required to make good the property damaged to a condition equal to its condition when new had the necessity to comply with any of the aforesaid regulations not arisen;
 - (c) the amount of any rate, tax, duty, development or other charge or assessment arising from capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with any of the aforesaid regulations;
2. the work of repairing or rebuilding must be commenced and carried out with reasonable dispatch and may be carried out wholly or partially upon another site (if the aforesaid regulations so necessitate) subject to the liability of The Company under this clause not being thereby increased
 3. if the liability of The Company under any item of this policy apart from this clause shall be reduced by the application of any of the terms, exceptions and conditions of this section, then the liability of The Company under this clause in respect of any such item shall be reduced in like proportion
 4. the total amount recoverable under any item of this policy shall not exceed the sum insured thereby.

RAILWAY AND OTHER SUBROGATION CLAUSE

The insured shall not be prejudiced by signing the "Transnet Cartage (Hazardous Premises) Indemnity" or other special agreements with the Transnet Administration regarding private sidings or similar agreements with other government bodies.

REINSTATEMENT VALUE CONDITIONS

In the event of the property being damaged, the basis upon which the amount payable is to be calculated shall be the cost of replacing or reinstating on the same site property of the same kind or type but not superior to or more extensive than the insured property when new, provided that;

1. the work of replacement or reinstatement (which may be carried out upon another site and in any manner suitable to the requirements of the insured subject to the liability of The Company not being thereby increased) must be commenced and carried out with reasonable dispatch, otherwise no payment beyond the amount which would have been payable if these reinstatement value conditions had not been incorporated herein shall be made;
2. until expenditure has been incurred by the insured in replacing or reinstating the property, The Company shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein;
3. if, at the time of replacement or reinstatement, the sum representing the cost which would have been incurred in replacement or reinstatement if the whole of the insured property had been damaged exceeds the sum insured thereon at the commencement of any damage to such property by a defined peril, then the insured shall be considered as being their own insurer for the excess and shall bear a rate-able proportion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision;

4. these conditions shall be without force or effect if;
- (a) the insured fails to intimate to The Company within six (6) months of the date of damage, or such further time as The Company may in writing allow, their intention to replace or reinstate the property;
 - (b) the insured is unable or unwilling to replace or reinstate the property on the same or another site.

TEMPORARY REMOVAL

Except in so far as otherwise insured, landlords' fixtures and fitting are covered while temporarily removed to any other premises, including transit by road, rail or inland waterway anywhere within the Republic of South Africa, Namibia, Botswana, Lesotho, Swaziland, Zimbabwe and Malawi, provided that the amount payable under this clause shall not exceed that which would have been payable had the loss occurred on the premises from which the property is temporarily removed.

TENANTS

The Company's liability to the insured shall not be affected by any act or omission on the part of any tenant (other than the insured) without the insured's knowledge. The insured shall, however, inform The Company as soon as any such act or omission which is a contravention of any of the terms, exceptions or conditions of this section comes to their knowledge and will be responsible for any additional premium payable from the date any increased hazard shall be assumed by The Company.

SUB SECTION (B) PUBLIC SUPPLY CONNECTIONS

The Company will indemnify the insured in respect of accidental damage to water, sewerage, gas, electricity and telecommunication connections the, property of the insured or for which they are legally responsible, between the property insured and the public supply or mains.

BUSINESS INTERRUPTION

Loss, following interruption of or interference with the business in consequence of damage occurring during the period of insurance at the premises in respect of which payment has been made and liability admitted under SECTION A PROPERTY INSURANCE and only in respect of the perils insured there-under.

Liability shall be deemed to have been admitted if such payment is precluded solely because the insured is required to bear the first portion of the loss.

The Company will indemnify the insured in accordance with the provisions of the specification set out here -under.

Special Conditions

- 1 The insurance under this section shall cease if the business is wound up or carried on by a liquidator or judicial manager or is permanently discontinued except with the written consent of The Company.
- 2 On the happening of any damage in consequence of which a claim may be made under this section the insured shall in addition complying with general conditions 5 and 6 with due diligence do and concur in doing and permit to be done all things which may be reasonably practicable to minimize or check any interruption of or interference with the business or to avoid or diminish the loss and in the event of a claim being made under this section shall no later than thirty (30) days after the expiry of the indemnity period or within such further period as The Company shall in writing allow at their own expense deliver to The Company in writing a statement setting forth particulars of their claim together with details of all other insurance covering the loss or any part of it or consequential loss of any kind resulting there from. No claim under this section shall be

payable unless the terms of this specific condition have been complied with and in the event of non-compliance therewith in any respect any payment on account of the claim already made shall be repaid to The Company forthwith.

Item 1 Gross rentals

The insurance under this item is limited to

- (a) Loss of gross rentals and
- (b) Increase in cost of working

And the amount payable as indemnity hereunder shall be

- (a) **In respect of loss of gross rentals** the amount by which the gross rentals during the indemnity period shall in consequence of the Damage fall short of the standard gross rentals
- (b) **In respect of increase in cost of working** the additional expenditure necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the loss of gross rentals but for that expenditure would have been taken place during the indemnity period in consequence of the Damage but not exceeding the amount of the loss of gross rentals thereby avoided.

Less any sum saved during the indemnity period in respect of such charges and expenses of the business payable out of gross rentals as may cease or be reduced in consequence of the Damage provided that the amount payable shall be proportionately reduced if the sum insured in respect of gross rentals is less than the annual gross rentals where the maximum indemnity period is twelve (12) months or less or the appropriate multiple of the annual gross rentals where the indemnity period is exceeds twelve (12) months.

The maximum liability of The Company for any claim under this item for loss of gross rentals and increase in cost of working shall be limited to 25 percent of the total sum insured under SECTION A PROPERTY INSURANCE being the sum of the basic sum insured on the buildings plus any amount insured in respect of inflation and inflation.

Item 2 Additional increase in cost of working

The insurance under this item is limited to reasonable additional expenditure (not recoverable under any other items) incurred with the consent of The Company during the indemnity period in consequence of the Damage for the purpose of maintaining the normal operation of the business.

Definitions

Indemnity period

The period beginning with the commencement of the Damage and ending not later than the number of months thereafter stated in the schedule during which the results of the business shall be affected in consequence of the Damage.

Gross rentals

The money paid or payable to the insured by tenants in respect of rental of the premises and for services rendered.

Standard Gross rentals The Gross rentals during that period immediately before the date of the Damage which corresponds with the indemnity period

Annual Gross rentals The Gross Rentals during the 12 months immediately before the date of the Damage

To which such adjustments shall be made as may be necessary to provide for the trend of the business and for the variations or other circumstances affecting the business either before or after the Damage or which

would have affected the business had the Damage not occurred so that the figures thus adjusted shall represent as nearly as may be reasonably practicable the results which would but for the Damage would have been obtained during the relative period after the Damage.

Note If the Damage occurs before the completion of the first years' trading of the business at the premises the value of the above items shall be calculated by using values proportionate to the results obtained between commencement of the business and the date of the damage.

If during the indemnity period services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on their behalf the money paid or payable in respect of such services shall be brought into account in arriving at the Gross rentals during the indemnity period.

EXTENSIONS AND CLAUSES

Accountants' clause

Any particulars or details contained in the insureds' books of account or other business books or documents which may be required by The Company under this section for the purpose of investigating or verifying any claim hereunder may be produced and certified by the insureds' auditors or professional accountants and their certificate shall be prima facie evidence of the particulars and details to which it relates.

Departmental clause

If the business is conducted in departments or branches the independent trading results of which are ascertainable the provisions under item 1 Gross Rentals relating to reduction in Gross Rentals and increase in cost of working shall apply separately to each department or branch affected by the Damage except that if the sum insured by the item is less than the aggregate of the annual gross rentals for each department or branch whether affected by the Damage or not (proportionately increased by the if the number of months referred to in the definition of indemnity period exceeds twelve (12) months the amount payable shall be proportionately reduced.

Prevention of access

Property within a 10km radius of the insureds' premises destruction or damage to which shall prevent or hinder the use of the premises or access thereto whether the premises of the insured shall be damage or not.

Additional premises

In the event of the insured occupying or having property at any newly added premises for the purpose of the business during the currency of this section such newly added premises shall be deemed to be included in those specified hereunder subject to notification to The Company as soon as reasonably practicable and to adjustment of the premium if necessary.

Public Utilities

Loss as insured resulting from interruption of or interference with the business in consequence of total or partial failure of the public water gas or electricity to the premises of the insured shall be deemed to have resulted from damage (as defined herein) provided that this section does not cover loss resulting from damage directly or indirectly caused by

- (i) Drought
- (ii) Pollution of water
- (iii) Shortage of fuel or water
- (iv) A fault on any part of the installation belonging to the premises
- (v) The exercise of an authority empowered by law to supply water gas or electricity of its power to withhold or restrict supply unless such withholding or restriction is directly attributable to Damage to the property of such authority
- (vi) Any event described in General exceptions 1, 2 and 3 but cover provided by the malicious damage extension

in the underlying material damage section of this policy is not excluded,

In respect of interruption of or interference with the business arising from mechanical or electrical or electronic breakdown there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 24 hours from the commencement thereof.

Public telecommunications

Loss as insured resulting from interruption or interference with the business in consequence of the failure of the public telecommunications facilities to the premises of the insured shall be deemed to have resulted from Damage (as defined herein) provided this extension does not cover loss or damage directly or indirectly caused by

- (i) Drought
- (ii) A fault on any part of the premises belonging to the insured
- (iii) A decision by the authority to legally withhold the telecommunication facility from the Insured unless such decision is directly attributable to property of such authority
- (iv) Any event described in general exceptions 1, 2 and 3 but cover provided under the Malicious damage extension in the underlying policy is not excluded.

If the failure of the facility is due to mechanical or electrical or electronic breakdown there shall be no liability under this extension for interruption of or interference with the business unless such interruption or interference extends beyond 24 hours from the commencement thereof.

EXTENSIONS

PREVENTION OF ACCESS EXTENSION

If property within a 10km radius of the premises stated in the schedule is lost or damaged by a peril defined in section A during the period of insurance and this prevents or hinders the use of or access to the property insured by this section, The Company will pay any loss of rent the insured may incur as a result thereof up to an amount not exceeding 25 percent of the sum insured on the affected property. The loss of rent calculation will be based on the rent payable immediately preceding the loss or damage or its equivalent rental value.

ALL RISKS

DEFINED EVENTS

Loss or damage to the whole or part of the property described in the schedule (garden and cleaning equipment included for an amount of R5,000) while in, on or about the property insured by accident or misfortune not otherwise excluded provided

that the insured shall be responsible for the first amount payable stated in the schedule in respect of each and every event.

SPECIFIC EXCLUSIONS

We shall not be liable for:

- 1. loss or damage to property resulting from or caused by
 - (a) theft, unless accompanied by forcible and violent entry or exit from any building.

- (b) its undergoing a process of cleaning, repair, dyeing, bleaching, alteration or restoration;
 - (c) inherent vice or defect, vermin, insects, damp, mildew or rust;
 - (d) the dishonesty of any trustee or employee whether acting alone or in collusion with others;
 - (e) detention, confiscation or requisition by customs or other officials or authorities;
2. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions) unless following an accident or misfortune not otherwise excluded;
 3. mechanical, electronic or electrical breakdown, failure, breakage, derangement or electrical power surge unless caused by an accident or misfortune not otherwise excluded.

LIABILITY

DEFINITIONS

1. Advertisement shall mean:

a notice which is broadcast or published to the general public or specific market segments about the Insured's Products or services for the purpose of attracting customers or supporters.

2. Bodily Injury shall mean:

bodily injury to any person and shall include;

2.1 death, illness and disease;

2.2 mental injury anguish or nervous shock sustained by any person as a result of actual or threat of bodily injury death illness or disease.

3. Business shall mean:

the Business described in the Schedule and shall include;

3.1 in connection with such business;

3.1.1 property owners;

3.1.2 the sale or supply of food and/or drink to Employees or others;

3.1.3 the provision of fire, first aid, security and ambulance services by the Insured and maintenance of the Insured's premises.

3.2 the provision by the Insured of sports social and welfare organisations primarily for employees;

3.3 private work performed by any Employee for any director partner or employee of the Insured.

4. Company shall mean:

ACE Insurance Limited.

5. Costs and Expenses shall mean:

5.1 costs and expenses recoverable by any claimant from the Insured;

5.2 reasonable and necessary legal and other costs and expenses incurred by the Insured with the written consent of The Company;

- 5.3 fees for representation at any inquest or fatal accident inquiry;
- 5.4 compensation to the Insured at the following maximum rates per day for each day on which any of the following persons attend court as a witness at the request of The Company;
- | | | |
|-------|--|---------|
| 5.4.1 | any director or partner of the Insured | R5,000 |
| 5.4.2 | any Employee | R2,500. |

6. Damage shall mean:

physical damage to material property and physical loss of such property, but excluding any intellectual property or data stored on or forming part of such property.

7. Deductibles shall mean:

the amounts as stated in the Schedule which are payable by the Insured and apply to each and every claim or series of claims in respect of an Occurrence. The Deductibles shall not be cumulative and where an Occurrence could give rise to the application of more than one Deductible, only the highest Deductible shall apply.

8. Employee shall mean:

any person under a contract of service or apprenticeship with the Insured and Employee shall also include the following while working for the Insured in connection with the Business in which case they will be considered to be employed by the Insured;

- 8.1 any person under a contract of service or apprenticeship with another employer and who is hired to or borrowed by the Insured;
- 8.2 any person engaged as a labour only sub-contractor and any person supplied by him/her;
- 8.3 any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with the Insured;
- 8.4 any person supplied to the Insured under a contract or agreement the terms of which deem such person to be in the employment of the Insured for the duration of such contract or agreement;
- 8.5 any work experience student or trainee.

9. Insured shall mean:

the party or parties named as such in the Schedule.

10. Limit of Liability shall mean:

The maximum amount as stated in the Schedule for the relevant Section which The Company shall be liable to pay as damages and Costs and Expenses as a result of any one occurrence. Such limit shall include amounts payable by the Insured under any applicable Deductible;

Where a Limit of Liability is stated as an Annual Aggregate such limit shall apply to the total of all claims pertaining to any one Period of Insurance;

To the extent that the Insured is accountable to the tax authorities for Value Added Tax in respect of any payment in terms of this policy the relevant Limit of Liability will apply inclusive of any such taxes due.

11. Occurrence shall mean:

an event or series of events or continuous or repeated exposure to the same or similar set of conditions which unexpectedly or unintentionally results in liability as insured in terms of this policy arising directly or indirectly from one source or original cause;

All Bodily Injury and Damage which occurs during the currency of this Policy and which is caused by an actual or alleged common defect in a Product or Products shall be considered as having arisen out of one occurrence, which shall be deemed to have happened on the date of the first incidence of such Bodily Injury or Damage.

12. Period of Insurance shall mean:

the period stated in the Schedule.

13. Personal and Advertising Injury shall mean:

injury other than Bodily Injury occurring as a direct result of any of the following offences;

- 13.1 false arrest detention or imprisonment or malicious prosecution;
- 13.2 wrongful entry or eviction which interferes with the right of private occupancy;
- 13.3 oral or written publication of material which violates the right of privacy of a person;
- 13.4 misappropriation of advertising ideas in any Insured's Advertisement;

In the event of a series of the same or similar Personal or Advertising Injury offences being committed over a period of time;

- (a) all offences of such series shall be treated as though they were committed on the date of the first such offences committed during the Period of Insurance;
- (b) no indemnity shall be provided hereunder in respect of any offences committed prior to the inception date of this Policy;
- (c) no indemnity shall be provided hereunder in respect of any offences committed after the expiry of the Period of Insurance.

14. Product shall mean:

anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the Insured including containers, packaging or labelling and which is not in the possession of the Insured at the time of the Occurrence.

15. Proposal shall mean:

any signed proposal form and declaration and any information in connection with this insurance supplied by or on behalf of the Insured in addition thereto or in substitution therefor whether at the time of acceptance or prior or subsequent thereto.

16. Territorial Limits shall mean:

the Republic of South Africa, Botswana, Lesotho, Malawi, Namibia, Swaziland, Mozambique or Zimbabwe, unless otherwise stated in the Schedule.

17. Trade Dress shall mean:

any right enforceable at law to the extent that it relates to the overall visual appearance of a business and its products and/or services and the manner in which they are packaged and/or presented.

18. Trespass/Nuisance/Obstruction shall mean:

trespass, nuisance or obstruction or interference with any right of air, light, water or way.

BASIS OF INDEMNIFICATION CLAUSE

The indemnity in terms of this policy applies only to such liability as defined by each Section of this policy arising out of the Business of the Insured specified in the Schedule.

In respect of Section(s)/ extension(s) marked LO for losses occurring in the Schedule, indemnity applies in respect of Bodily Injury or Damage, or event giving rise to any other liability insured in terms hereof, occurring during the Period of Insurance.

In respect of Section(s)/ extension(s) marked CM for claims made this insurance will apply only to claims first made against the Insured during the Period of Insurance, provided however that this insurance will not apply to any claims made against the Insured:

1. arising from circumstances known to the Insured at the inception date of this policy and which could reasonably have been foreseen by the Insured to give rise to a claim against the Insured; nor
2. arising from any circumstances advised to the insurers of any other policy prior to the inception date hereof; nor
3. arising from any Bodily Injury, Damage or event giving rise to any other liability insured in terms hereof occurring or alleged to have occurred prior to the applicable retroactive date stated in the Schedule.

If, however, subject always to the above provisions, the Insured notifies The Company during the period of this Policy in accordance with General Extension 5 hereof of any circumstance occurring during the period from the applicable retroactive date to the expiry date of this policy, then any claim or claims which may subsequently arise in connection with such circumstances shall be treated as having been made during the period of this policy.

GENERAL EXTENSIONS

1. Indemnity to Principals and Others

The Company will also indemnify in the terms of this policy:

- 1.1 in the event of the death of the Insured (if a natural person) or legal incompetency of the Insured, his/her legal personal representative but only in respect of liability incurred by the Insured;

and at the request of the Insured and agreed by The Company:

- 1.2 any principal, contractor of the Insured or subcontractor of such contractor other party who enters into an agreement with the Insured for any purpose of the Business, but only to the extent required by such agreement to grant such indemnity and only in respect of liability for which the Insured would have been entitled to indemnity under this policy if the claim had been made against the Insured;
- 1.3 any officer or member of the Insured's catering, sports, social and welfare organisation and fire first-aid or ambulance services;

1.4 any director, partner or employee of the Insured in respect of liability for which the Insured would have been entitled to indemnity under this policy if the claim had been made against the Insured;

1.5 any director, partner or employee of the Insured in respect of liability arising out of private work performed, with the consent of the Insured, by Employees of the Insured for such director, partner or employee.

Provided that:

- (a) such person(s) shall not be entitled to indemnity under any other policy;
- (b) such principal/person(s) shall as though he/they were the Insured be subject to the terms of this policy in so far as they can apply;
- (c) the Limit of Liability shall not be increased hereby.

2. Cross Liabilities

Where more than one party comprises the Insured any claim by one Insured against any other Insured shall be treated as though the party so claiming is not an insured party provided that the Limit of Liability shall not be increased hereby.

This extension shall not apply in respect of Personal and Advertising Injury.

3. Claims Preparation Costs

The insurance under this policy is extended to include costs incurred by the Insured in producing and certifying any particulars or details required by The Company in order to investigate any claim, provided that the liability of The Company for such costs shall not exceed the amount stated in the Schedule in respect of any one claim.

4. Acquisitions

The Company will indemnify in the terms of this Policy any company or other business entity either acquired or recreated by the Insured during the Period of Insurance from the date of such acquisition or creation.

Provided that

- a) the business of such company or entity is not materially different from the Business shown in the Schedule;
- b) the Insured supplies to The Company full details of such company or entity within thirty (30) days of acquisition or creation, which details shall include, but not be limited to, the locations, turnover, and principal businesses of such company;
- c) the aggregate annual turnover of all such companies or entities acquired or create during any one Period of Insurance shall not exceed 10 (ten) percent of the annual turnover of the Insured as declared to The Company at the beginning of such Period of Insurance;
- d) no indemnity is recoverable under any other insurance in respect of such company or entity;
- e) The Company shall have the right to charge an additional premium and to alter the terms and conditions and exclusions of the Policy in respect of such company or entity from the date of its acquisition or creation, the additional premium shall be payable prior to any indemnity in terms of this policy coming into operation.

In respect of any such company or entity which does not meet provisos (a) to (d)

- (1) The Company will not provide indemnity until full details of such company or entity have been submitted to and accepted by The Company and the Insured has paid any additional premium and has accepted any change in the terms required by The Company;
- (2) The Company reserves the right to decline cover for such company or entity.

5. Extended Reporting Period (Applicable only if so indicated in the Schedule)

In the event of non-renewal of this Policy, at the option of the Insured in respect of those Sections which apply on a Claims made Basis for, any claim first made against the Insured arising from any circumstance, matter or thing of which notice is required to be given prior to the expiry of the policy, The Company agree that notice given within the number of months stated in the Schedule (hereinafter referred to as the extended reporting period) immediately following the expiry of this insurance shall be deemed to have been made on the last day preceding the expiry;

Provided that:

- 5.1 the Insured has not obtained insurance similar in scope and cover to this policy as expiring providing indemnity in respect of such claim;
- 5.2 The Company shall only be liable for an insured event which occurred after the retroactive date but prior to the expiry of the Period of Insurance;
- 5.3 the total amount payable by The Company for claims made or reported events during the extended reporting period shall not exceed the Limit of Liability applicable on the last day preceding the non renewal;
- 5.4 this option is exercised by the Insured delivering written notice to this effect to The Company within thirty (30) days of non-renewal:
- 5.5 once exercised, this option cannot be cancelled by either the Insured or The Company.

SECTION 1 – GENERAL LIABILITY

INDEMNITY CLAUSE

The Company will indemnify the Insured in accordance with the Basis of Indemnification Clause against all sums which the Insured shall become legally liable to pay as damages in respect of accidental Bodily Injury, Damage or Trespass/Nuisance/Obstruction occurring within the Territorial limits. The Company will also pay Costs and Expenses in respect of any occurrence to which this Section applies.

SPECIFIC EXCLUSIONS

The Company shall not indemnify the Insured in respect of any liability:

1. **Employees**
in respect of Bodily Injury sustained by any Employee arising out of and in the course of employment by the Insured in the Business.
2. **Custody or Control**
in respect of Damage to property:
 - 2.1 belonging to the Insured;
 - 2.2 in the custody or control of the Insured or any Employee or agent of the Insured other than:

- (a) personal effects (including motor vehicles) belonging to visitors, directors, partners and Employees of the Insured;
- (b) premises occupied or tenanted by the Insured;
- (c) premises (including their contents) not leased or rented to the Insured but temporarily occupied by the Insured for the purpose of carrying out work;
- (d) any vehicle, trailer, locomotive or rolling stock belonging to any rail service provider while used by or on behalf of the Insured at any railway siding;

3. **Products**

caused by or arising out of the nature or condition of any Product.

4. **Aircraft/Watercraft/Vehicles**

arising from or caused by the ownership, possession, control or use by or on behalf of the Insured of:

- 4.1 any aero spatial device or any airborne or waterborne craft or vessel (other than manually propelled craft) or the loading or unloading of such crafts or vessels;
- 4.2 any mechanically propelled vehicle or trailer attached thereto:
 - (1) in circumstances for which insurance is required in accordance with any road traffic legislation in force within the Republic of South Africa, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland or Zimbabwe;
 - (2) whilst being used on any public road in any other country whether or not insurance in respect of liability therefore is compulsory;

or the loading or unloading of such vehicle or trailer attached thereto.

Provided that if there is no indemnity afforded by any motor or other insurance policy this exclusion shall not apply to liability arising from:

- (a) the act of loading or unloading or the bringing or taking away of a load from such vehicle or trailer;
- (b) the operation of plant as a tool of trade but only insofar as such liability is not the subject of compulsory insurance in accordance with any road traffic legislation.

5. **Airport Ownership or Operation**

arising out of the ownership, hire, leasing or operation of any airport, airstrip or helicopter pad by or on behalf of the Insured other than airstrips and helicopter pads which are not equipped with control tower operation.

EXTENSIONS TO SECTION 1 – GENERAL LIABILITY

The following Extensions are subject otherwise to the terms Exclusions limitations and Conditions of this Policy:

1. **Motor Contingent Liability**

Notwithstanding anything to the contrary in specific exclusion 4.2, The Company shall indemnify the Insured named in the Schedule in respect of their legal liability arising from the use in connection with the Business of any motor vehicle not the property of nor provided by the Insured.

Provided that this Extension shall not apply in respect of:

- (a) Damage to any such vehicle or its contents;
- (b) liability arising while such vehicle is being:

- (1) driven by the Insured;
- (2) driven with the general consent of the Insured or of his/their representative by any person who to the knowledge of the Insured or of such representative:
 - (i) does not hold a valid licence to drive such vehicle unless such a person has held and is not disqualified from holding or obtaining such a licence;
 - (ii) is under the influence of intoxicating liquor or drugs;
- (3) used elsewhere than within the Territorial Limits.

2. Overseas Personal Liability

The Company will, in terms of this Section, indemnify the Insured and at the request of the Insured any director, partner or Employee of the Insured or spouse of any such person against legal liability in respect of Bodily Injury or Damage arising from activities while temporarily outside the Republic of South Africa, Namibia, Lesotho, Swaziland, Botswana, Malawi, Mozambique or Zimbabwe in connection with the Business.

Provided that this Extension shall not apply in respect of:

- (a) liability arising out of the ownership or occupation of any land or building;
- (b) liability insured by any other policy of insurance,

and that any such director, partner, Employee or spouse shall, as though he/she were the Insured, be subject to the terms of this policy in so far as they can apply.

3. Defamation (Applicable only if a limit is inserted in the Schedule)

This Section is extended to indemnify the Insured subject to the Limit of Liability against all sums which the Insured shall become legally liable to pay as damages in respect of any accidental Defamation offence committed in connection with the Business within the Territorial Limits.

Provided that the claim in respect of such offence is made against the Insured during the Period of Insurance and notified to The Company during the same Period of Insurance.

Defamation shall include innuendo.

Provided that this extension shall not apply in respect of:

- (a) claims arising from any publication, transmission or utterance by or on behalf of the Insured:
 - (1) which took place prior to the Retroactive Date; or
 - (2) of the same or similar material as contained in any publication, transmission or utterance by or on behalf of the Insured which took place prior to the Retroactive Date,
- (b) liability arising from material which, to the knowledge of the Insured, is false or is likely to result in a claim for defamation;
- (c) liability arising from any interaction between a computer or computer system:
 - (1) belonging to the Insured; or
 - (1) for which the Insured is responsible; or
 - (3) which is being operated on behalf of the Insured;

- and a computer or computer system of a third party;
- (d) liability in respect of Personal and Advertising Injury;
- (e) liability which is the subject of;
 - (1) any claim or legal proceedings brought outside the Republic of South Africa; or
 - (2) any judgement or local order obtained within such territory for the enforcement of any judgement obtained elsewhere whether by way of reciprocal agreements or otherwise;
- (f) any claim arising from personal spite or ill will of the Insured towards a claimant;
- (g) any claim made by one Insured against another Insured;
- (h) the costs of withdrawal and/or amendment of any publication;
- (i) liability incurred by an Insured whose business is advertising broadcasting publishing or telecasting;
- (k) Crimen Injuria.

4. Personal and Advertising Injury (Applicable only if a limit is inserted in the Schedule)

This Section is extended to indemnify the Insured in accordance with the Basis of Indemnification Clause against all sums for which the Insured shall become legally liable in respect of any accidental Personal and Advertising Injury.

Provided that this Extension shall not apply to Personal and Advertising Injury:

- 4.1 arising out of oral or written publication of material:
 - (a) if the first oral or written publication of the same or similar material took place prior to the commencement date of this Policy; or
 - (b) which to the knowledge of the Insured is false;
- 4.2 arising out of a breach of contract other than misappropriation of advertising ideas under an implied contract;
- 4.3 arising out of the failure of goods, products or services to conform with advertised quality or performance;
- 4.4 arising out of the wrong description or the price of goods, products or services;
- 4.5 committed by an Insured whose business is advertising, broadcasting, publishing or telecasting other than for the offences described in parts 13.1 and 13.2 of Definition 13.

SECTION 2 – EMPLOYERS’ LIABILITY

INDEMNITY CLAUSE

The Company will indemnify the Insured in accordance with the Basis of Indemnification Clause against all sums which the Insured shall become legally liable to pay as damages in respect of Bodily Injury sustained by any Employee within the Territorial Limits and arising out of and in the course of employment by the Insured. The Company will also pay Costs and Expenses in respect of any occurrence to which this Section applies.

SPECIFIC EXCLUSIONS

This Section does not cover liability:

1. arising out of Bodily Injury caused or contributed to by prolonged exposure to substances, factors or circumstances peculiar to any particular employment or occupation;
2. for any obligation for which the Insured and any company as its insurer may be held liable under any workmen's compensation enactment/ compensation of occupational injuries and diseases, unemployment compensation or disability benefits law;
3. arising out of any circumstances compulsorily insurable by legislation notwithstanding that no insurance in terms of such legislation is in force or has been effected;
4. any liability arising out of Bodily Injury sustained by any person under a contract of employment or apprenticeship with the Insured or engaged by the Insured to perform a contract constituting the provision of labour only, in Great Britain, Northern Ireland, the Isle of Man and Channel Islands;
5. to any Employee arising while Offshore.

For the purpose of this Exclusion "Offshore" shall mean from the time of embarkation on to a vessel or aircraft for conveyance to any Offshore Rig Offshore Platform or Offshore Installation, including associated accommodation, until disembarkation from a conveyance on to land upon return there from;

Offshore Rig means any structure (including a mobile offshore drilling unit) containing a derrick or mast, draw-works and attendant surface equipment for the purposes of performing drilling or work over operations;

Offshore Platform or Offshore installation means any immobile offshore structure from which development of wells are drilled and/or produced.

EMPLOYEE TO EMPLOYEE EXTENSION

The following Extension is subject otherwise to the terms Exclusions limitations and Conditions of this Policy;

The indemnity granted shall extend, at the Insured's option and subject to the agreement of Company (which agreement shall not be unreasonably withheld), to any Employee of the Insured in respect of his liability to any other Employee whilst acting within the scope of his employment by the Insured.

Provided always that:

1. such Employee shall, as if he were the Insured, observe, fulfill and be subject to the terms, exclusions and conditions of the policy insofar as they can apply;
2. if at the time of any Occurrence or claim there is, or but for the existence of this extension there would be, any other insurance or indemnity in favour of or effected by or on behalf of such Employee applicable to such Occurrence or claim, The Company shall not be liable to indemnify the Employee in terms of this extension.

SECTION 3 – STATUTORY DEFENCE COSTS

INDEMNITY CLAUSE

The Company will indemnify the Insured or at the request of the Insured any Employee, director or partner of the Insured against legal costs and expenses incurred with the prior approval of The Company in the defence of any criminal proceedings brought for a breach of

The Occupational Health and Safety Act 1993

The Consumer Protection Act No. 68 of 2008

committed during the Period of Insurance in the course of the Business including legal costs and expenses incurred with the prior approval of The Company in an appeal against conviction arising from such proceedings.

Provided that this Extension shall not apply to

- (a) fines or penalties imposed by any court
- (b) proceedings consequent upon any deliberate act or omission.

GENERAL EXCLUSIONS TO THE LIABILITY SECTION

This Policy does not apply to liability of whatsoever nature:

1. Radioactive Contamination

directly or indirectly caused by or contributed to by or arising from;

- 1.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- 1.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

2. Contractual Liability

assumed under any contract or agreement, unless such liability would have attached in the absence of such contract or agreement except to the extent specifically provided herein.

3. Fines/Liquidated Damages/Penalties

for fines, liquidated damages or under any penalty clause.

4. Advice

arising out of the provision of or failure to provide any instruction, advice, information or professional service rendered in return for a fee.

5. Pollution

arising out of the discharge, dispersal, release or escape of smoke, vapours, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water but this Exclusion does not apply to Bodily Injury or Damage to material property if such discharge, dispersal, release or escape is sudden and accidental and occurs during the Period of Insurance.

6. War

directly or indirectly occasioned by happening through or in consequence of war, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not), civil war, civil commotion, mutiny, military or popular rising, rebellion, revolution, insurrection or military or usurped power.

7. Asbestos

For any loss demand claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

The Company shall have no duty of any kind with respect to any such loss demand claim or suit.

8. Toxic Mould

8.1 caused by or arising from the actual alleged or threatened inhalation of ingestion of contact with exposure to existence of or presence of any Fungi or bacteria on or within a building or structure including its contents;

8.2 for any loss cost or expense arising out of the abating testing for monitoring cleaning up removing containing treating detoxifying neutralising remediating or disposing of or in any way responding to or assessing the effects of Fungi or bacteria by any Insured or by any other person or entity.

For the purpose of this Exclusion "Fungi" shall mean any type or form of fungus including mould or mildew and any mycotoxins spores scents or by-products produced or released by fungi.

9. Terrorism

caused by or arising from:

(a) an Act of Terrorism; and/or

(b) Bodily Injury, loss damage cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with any action taken in controlling preventing suppressing or in any way relating to any Act of Terrorism.

For the purpose of this Exclusion an "Act of Terrorism" means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear.

If The Company alleges that by reason of this exclusion any liability is not covered by this Policy the onus of proving to the contrary shall be upon the Insured.

10. Deductibles

for any amounts including damages and Costs and Expenses falling within the Deductible(s).

SPECIAL CONDITIONS TO THE LIABILITY SECTION

USA/Canada Jurisdiction

To the extent that this policy provides an indemnity, with regard to Occurrences happening in or claims or legal proceedings brought or originating in the United States of America or Canada or in any territory within the jurisdiction of either such territory, it is agreed between The Company and the Insured that:

- (a) irrespective of any other provision, this insurance shall only apply to claims first made against the Insured during the Period of Insurance for; products liability of the insured and any sales offices or distributors but only in respect of the insured's products manufactured outside of the USA or Canada, provided that the activities of any such sales offices or distributors in the USA or Canada in respect of such products are wholly restricted to

- (i) Marketing, selling and / or
- (ii) Demonstrating, advertising and / or
- (iii) Re-packing, packaging, packing, labelling, pr-sale cleaning or providing operations

Public liability and/or products liability of the insured solely in respect of work performed by the insured's;

- (i) Employees;
- (ii) Directors;
- (iii) Partners

who are normally resident outside of the USA and Canada and who are temporarily working in the USA or Canada.

Employers liability of the insured in respect of any person who is normally resident outside the USA and Canada and who is temporarily visiting the USA or Canada in the course of his or her employment by the insured.

Personal liability of any person who is normally resident outside the USA and Canada and who is temporarily visiting the USA or Canada, however indemnity in respect of liability arising from or out of the ownership, possession or use by or on behalf of an insured, or any other person entitled to indemnity, of any mechanically propelled vehicle or craft is excluded.

(b) regardless of General Exclusion 5 this insurance does not apply to:

- (i) any liability whatsoever arising out of the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any watercourse or body of water;
- (ii) any cost or expense arising out of any governmental demand or request that an Insured test for assess monitor clean-up remove contain treat de-toxify or neutralise any irritants contaminants or pollutants, and The Company shall not have the duty to defend any claims or suits seeking to impose any such liability cost or expense or any other relief;

(c) The maximum liability will be inclusive of all damages, compensation, interest, costs, expenses and payments of whatsoever nature, or so deemed;

(d) Additional damages resulting from the multiplication of compensatory damages and/or punitive damages and/or exemplary damages and/or aggravated damages against an insured, as part of any judgement award or settlement arising from any demand, claim or proceeding made or brought within the legal jurisdiction of the United States or Canada will be excluded.

It is further agreed between The Company and the Insured's that the premium for this insurance has been calculated accordingly.

GENERAL CONDITIONS TO THE LIABILITY SECTION

1. Interpretation

This policy the Schedule and any endorsements thereto shall be read together as one document and any word or expression to which a specific meaning has been attached in any part of this policy or of the Schedule shall bear such specific meaning wherever it may appear. Headings are inserted for ease of reference only and are not intended for the purpose of interpreting the policy.

2. Choice of Law

This policy of insurance shall be governed by and construed in accordance with the laws of the Republic of South Africa and the High Court in Johannesburg shall have exclusive jurisdiction in any dispute arising under or in connection with this policy, including any dispute as to the formation or validity of this Policy.

3. Alteration

The Insured shall give notice to The Company of any material alteration or change in circumstances affecting the risk covered and until The Company shall have agreed in writing to accept liability for such altered risk The Company shall not provide an indemnity in respect of liability arising from such altered circumstances.

4. Precautions

It shall be a condition precedent to any liability of The Company under this policy that the Insured at their own expense shall take all reasonable precautions to prevent Occurrences which may give rise to liability under this policy and shall take all reasonable steps:

- (a) to comply with all applicable statutory requirements and to maintain their ways, works, machinery, plant and premises in good order and repair;
- (b) to ensure that their Products are free from defect and fit for the purposes intended before possession thereof is relinquished to others;
- (c) to remedy any defect or danger upon discovery thereof and take such additional precautions as the circumstances may require;
- (d) in the selection of employees.

5. Claims Procedure

It shall be a condition precedent to any liability of The Company under this policy that in the event of any Occurrence giving rise to or which may give rise to a claim under this policy:

- (a) the Insured shall:
 - (1) give written notice thereof (and full particulars of the Occurrence) to The Company as soon as possible;
 - (2) notify The Company in writing immediately he/they shall have knowledge of any impending prosecution inquest or fatal accident inquiry in connection with any Occurrence for which there may be liability under this policy;
 - (3) forward to The Company immediately on receipt every claim, notice, letter, verbal notice of claim or other originating process or any other document served on the Insured;
 - (4) give all such information and assistance as The Company may require.
- (b) the Insured or any other party who may be entitled to indemnity under this policy shall not negotiate, admit liability or make any promise, payment or settlement without The Company's written consent;
- (c) The Company shall be entitled:
 - (1) if, and so long as it desires, to take over and have the sole conduct and control of any claim in legal proceedings or alternative dispute resolution relating thereto in the name of the Insured and shall have full discretion in the settlement of any claim;
 - (2) to prosecute in the name of the Insured, but for The Company's benefit, any claim for compensation or indemnity.

6. Fraud

If a claim is fraudulent in any respect or if fraudulent means are used by the Insured or anyone acting on behalf of the Insured to obtain benefit under this Policy or if liability is incurred due to the willful act of, or with the connivance of, the Insured all benefit under this Policy shall be forfeited.

7. Misrepresentation/Misdescription/Non-Disclosure

This section of the policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure in any material particular.

8. Discharge of Liability

The Company may at its sole discretion in respect of any Occurrence covered by this policy pay to the Insured the Limit of Liability applicable to such Occurrence (but deducting there from any sum or sums already paid) or any lesser sum for which the claim or claims arising from such Occurrence can be settled and The Company shall thereafter be under no further liability in respect of such Occurrence except for the payment of Costs and Expenses incurred prior to the date of such payment and for which The Company may be responsible hereunder.

9. Non-Contribution

If at the time of the happening of any Occurrence covered by this policy there is any other existing insurance whether effected by the Insured or not covering the same liability The Company shall not be liable to indemnify the Insured in respect of such liability except so far as concerns any excess beyond the amount which would have been payable under such other insurance had this Policy not been effected.

10. Cancellation

The Company may cancel this policy by sending not less than thirty (30) days notice thereof by recorded delivery to the Insured at their last known address and in such event The Company shall make a return of the proportionate part of the premium in respect of the unexpired Period of Insurance.

If The Company has agreed to accept payment of the first or any renewal premium of this Policy by debit order installments and a previously unpaid debit order is again not paid within fifteen days of The Company's request for payment the policy will be cancelled with effect from the original date on which such debit order installment was due to be paid.

The Insured may cancel this policy by sending immediate notice thereof by recorded delivery to The Company at the address shown on this policy and in such event The Company will calculate the premium for the period of cover up to the date of cancellation using its short-period rates and having deducted such amount from the premium paid return the balance to the Insured.

11. No Rights to Other Persons

Unless otherwise provided nothing in this policy shall give any rights to any person other than the named Insured and any extension of indemnity to any person other than the Insured shall not give rights of claim to such person and the Insured shall claim on behalf of such person.

The receipt of the Insured in every case shall be a full discharge of The Company's liabilities hereunder.

12. Premium Adjustment

If the first and renewal premiums under this policy have been calculated (wholly or in part) upon estimates furnished by the Insured the Insured shall keep proper records containing all particulars relative thereto and The Company shall be allowed to inspect such records at all reasonable times.

The Insured shall within one month from the expiry of each Period of Insurance supply to The Company such particulars as The Company may require whereupon the Premium for such Period shall be adjusted and the difference paid by or allowed to the Insured as the case may be subject to any minimum premium applicable.

MACHINERY BREAKDOWN

(If stated in the schedule to be included)

DEFINED EVENTS

Sudden and unforeseen physical damage to the insured machinery as stated in the schedule provided that

1. The Company will not be responsible for the cost of any alterations or overhauls carried out on the occasion of a repair or reinstatement;
2. in case of a claim where loss or damage is confined to part of a machine or structure, The Company shall be liable only for the value of that part plus the cost of any necessary dismantling and erection for which the insured is responsible;
3. in the event of total loss, which shall mean when the insured machinery is not repairable, the amount payable hereunder shall be the cost of reinstatement in accordance with the reinstatement value conditions in the policy.

SPECIFIC EXCEPTIONS

The Company shall not be liable for:

1. damage to the insured machinery by any cause otherwise insured in terms of the policy or subsequent dismantling or re-erection;
2. the first amount payable stated in the schedule;
3. wear and tear or gradual deterioration (including the gradual action of light or climatic or atmospheric conditions);
4. damage resulting from experiments, overloads or tests.

SPECIFIC CONDITIONS

ALTERATION OF RISK

Notice must be given to The Company of any alteration to or departure from normal working conditions, which would affect the risk of damage. The Company may either approve such modification or cancel the insurance by this section and, provided there has not been a claim during the current period of insurance, refund a proportionate part of the premium paid.

AVERAGE

The sum insured stated in the schedule shall be equal to the new replacement value including transport and erection costs and custom dues if any, plus VAT. If the sum insured shall at the time of any damage be of lesser value than the amount required to be insured as stated above, then the insured shall be considered as being his own insurer for the difference and shall bear a rate-able share of the loss accordingly.

PRECAUTIONS

The insured shall take reasonable precautions to ensure that the machinery is maintained in good working order and nether habitually nor intentionally overloaded, and that Government and other regulations relating to the operation of the machinery are observed.

RIGHTS OF THE COMPANY

The insured shall allow The Company to examine the insured machinery at any reasonable time. If during the inspection by The Company, any new facts of a nature likely to increase the risk are observed the insured must, at the request of The Company, restore the risk to normal within the least possible time. The Company may immediately, on discovery of such new fact, give written notice to the insured suspending cover under this section.

ELECTRONIC EQUIPMENT (if stated in the schedule to be included)

Physical loss of or damage to the property insured described in the schedule from any cause not hereafter excluded whilst at work or at rest anywhere at the premises.

Exclusions

The Company will not be liable to indemnify you irrespective of the original cause in respect of:

1. the first amount payable as stated in the schedule of each and every occurrence giving rise to a claim. Where more than one item of property insured suffers physical loss or damage in any one occurrence, the first amount payable shall be the highest single amount applicable to such property insured;
2. derangement unless accompanied by physical damage otherwise covered by this sub-section;
3. loss or damage recoverable in terms of any maintenance and/or leasing agreement effected by or on your behalf covering the insured equipment;
4. faults or defects known to you (or your trustees and/or responsible employees) at the time this insurance was arranged or during the currency of the insurance and not disclosed to us or any consequences thereof;
5. wastage of material or the like or wearing out of any part of the insured property caused by or naturally resulting from ordinary usage or working or other gradual deterioration, development of poor contacts or scratching of painted or polished surfaces of a cosmetic nature;
6. parts having a short life such as (but not limited to) bulbs, valves, contacts, X-ray tubes, cathode ray tubes, thermionic emission tubes, fuses and sacrificial buffer circuits. If such parts are damaged as a result of physical loss or damage as provided for by this sub-section to other parts of the property insured, we shall indemnify you for the residual value prior to the loss of such exchangeable parts;
7. the cost of reproducing data and/or programs whether recorded on cards, tapes, discs or otherwise;
8. loss of use of the property or other consequential loss, damage or liability of whatsoever nature other than losses specifically provided for herein;
9. loss by theft or by disappearance of the property insured unless accompanied by forcible and violent entry to or exit from the separate office at the premises;
10. loss or damage occurring during the currency of a manufacturer's guarantee unless a claim is first made against the guarantor.

Basis of Indemnification

The indemnity by this sub-section subject always to the sums insured contained in the schedule or any specific limit of liability contained in this sub-section shall be as hereinafter provided and as appropriate including dismantling, re-erection, transportation, removal of damaged property insured (but less the value of the remains) and, where applicable, importation duties and value added tax.

(1) Partial loss

If the insured property suffers damage that can be repaired, the basis of indemnification shall be the restoration expenses reasonably and necessarily incurred to restore the damaged property to working order, provided that:

- (a) the value of damaged parts which can be used will be deducted;
- (b) the costs of any alteration, addition, improvement or overhaul carried out at the time of repair are not recoverable under this sub-section;
- (c) if, without our consent, temporary repairs are carried out by you in the interests of safety or to minimise further loss or damage to the insured property, the cost of such temporary repairs will be borne by us. In the event that the temporary repairs aggravate the loss or cause additional loss or damage to the property insured, any additional costs so incurred or consequence arising there from will be for your account;
- (d) where the damage is restricted to a part or parts of an insured item, we shall not be liable for an amount greater than the value of such part or parts which are lost or damaged allowed for within the sum insured.

(2) Total loss

(a) In cases where the new property insured is totally lost or destroyed, the basis of indemnification shall be the cost of replacing or reinstating on the same site new property of equal performance and/or capacity or, if such be impossible, its replacement by new property having the nearest equivalent performance and/or capacity to the property lost or damaged provided always that:

- (i) the work of replacement or reinstatement must be commenced and carried out with reasonable dispatch otherwise no payment exceeding the market value of the property insured immediately before the damage shall be made;
- (ii) until expenditure has been incurred by you in replacing or reinstating the property insured, we shall not be liable for any payment in excess of the amount which would have been payable if these conditions had not been incorporated herein;
- (iii) these conditions shall be without force or effect if
 - (a) you fail to intimate to us within ninety (90) days of the date upon which the damage occurred (or such further time as we may in writing allow) your intention to replace or reinstate the property insured
 - (b) you are unable or unwilling to replace or reinstate the property insured on the same site;
- (iv) at our sole option, following commercial and technical appraisal by our representative the period referred to in the definition of new property may be extended (on an annual basis from renewal date) subject always to such extension of period being admitted by memorandum to this policy.

Definition of new property insured

1. New property shall mean property purchased no more than seven (7) years (or such extended period as may be approved by us in writing) prior to the defined event, it being expressly agreed that in applying this definition upgrades and enhancements will be taken into account in arriving at an indemnifiable amount and the age of the property insured.
2. In respect of insured property not provided for in (1) above, the basis of indemnification shall be the market value of the insured property immediately before the loss or damage. At option, of The Company the insured property shall be considered totally destroyed if the repair costs as defined in (1) above equal or exceed its market value immediately before the damage.

Definition of market value

The current day purchase price of second-hand/used property of equal performance and/or capacity to the property lost or damaged and of substantially similar condition. Where no similar property is available, market value shall be calculated by deducting from the current new replacement value of the nearest equivalent property, an amount representing:

1. 20 percent for the first year after the date of purchase and
2. 10 percent per year for each succeeding year subject always to a minimum indemnity of 40 percent of the current new replacement value of the nearest equivalent property.

Reinstatement of data

The insurance is in respect of the cost of reinstatement of data which is lost as a result of loss or damage indemnifiable under this extension

The limit of liability for any claim shall not exceed R5,000 or such other amount reflected in the schedule. You shall be liable for the first R500 of each and every occurrence.

Increase in cost of working

The insurance under this extension is in respect of the additional expenditure necessarily and reasonably incurred by you to minimise or prevent the interruption or interference with the business during the indemnity period following loss or damage indemnifiable under this extension.

The term indemnity period shall mean the period beginning after the number of hours stated below after the occurrence of the loss or damage and ending not later than the number of months stated below after the occurrence during which the business has been affected in consequence of the loss or damage.

Specific exception

A time exclusion of twenty four (24) hours applies to each and every occurrence giving rise to a claim.

Specific condition

Our liability shall not exceed R5,000 and three (3) months indemnity period in respect of any one occurrence except as otherwise stated in the schedule.

Average

In respect of (i) and (ii) above, if at the time of repair, replacement or reinstatement, the sum representing the cost which would have been incurred in repair, replacement or reinstatement if the whole of the insured property had been lost or damaged exceeds the sum insured thereon at the time of any loss of or damage to such property, then you shall be considered as being your own insurer for the difference and shall bear a rate-able portion of the loss accordingly. Each item of this section (if more than one) to which these conditions apply shall be separately subject to this provision.